

GENERAL PURCHASING CONDITIONS - SANOFI

TERMS AND CONDITIONS OF PURCHASE ORDER

General:

1. Only the Purchase Order on our official form, and duly signed, is valid order for supply.
2. Absence of written communication to Sanofi mail ID's about any of these terms & conditions within 7 days from receipt of this order will constitute their acceptance by the supplier. The supply of goods as per this order will constitute supplier's acceptance of the terms & conditions of the order. These terms and conditions shall override any terms and conditions issued by supplier with his proposal, unless specifically agreed by Sanofi in writing.
3. Any terms and conditions rescinding, adding to or altering the terms of the Purchase Order subsequently shall always be in writing. All such additions, alterations or deletions shall be deemed to be incorporated herein and made part of the Purchase Order.
4. In the event of any breach of these terms and conditions on the part of the Supplier, the Supplier agrees to compensate to us in such manner as may be reasonably determined.
5. The Supplier shall not assign the Purchase Order to any other party.
6. The Supplier is forbidden to offer any commission, brokerage or other gratification to any of our employees. This Purchase Order shall be governed and construed in accordance with the laws of India.
7. It is agreed that any dispute arising in respect of this Purchase Order shall be decided by a competent Court in Mumbai and shall be subject to the jurisdiction of Mumbai Courts only.

Delivery & acceptance

8. All materials ordered herein, are to be supplied carriage paid to the receiving depot as specified in the Purchase Order, before 2 p.m. on working days. No charges for packing, boxing or carting will be accepted unless authorized by this Purchase Order. The goods are not to be insured for transit risk unless otherwise authorized by us.
9. The services to be rendered at designated place only, and shall be as per agreed conditions mentioned therein.
10. Material shall be received (subject to inspection & approval) only if they are as per the agreed description, specification, as per latest approved samples and packing.
11. The delivery challan, invoice/ bills should indicate our Order No. and date and should be submitted in DUPLICATE, failing which the deliveries are likely to be refused or payment delayed.

Rejection & cancellation:

12. The goods delivered after date specified in PO, may be refused for acceptance and no payment shall be made for such rejected goods/services. The company reserves right of applying penalty for late delivery (after dates specified in PO).
13. Goods delivered in excess of the quantities ordered will be accepted as per discretion of Sanofi and all charges resulting from such delivery will be held at the supplier's risk and must be removed by the Supplier entirely at his expense.
14. Rejected goods shall be held at the Supplier's risk and must be removed by the Supplier entirely at his expense within seven days of our intimation and / or receipt of our rejection memo. We should be given disposal advice by the supplier, else we shall be free to dispose the goods after the due date & shall not be liable to compensate the supplier for any losses.
15. Rejected goods bearing our trademark or emblems etc. would not be returned to the Supplier and would be destroyed at our end to avoid misuse.
16. We reserve the right to cancel the PO if the service is r. t. deficient w. agreed quality or specification. In such case, the payment shall be made on pro rata basis for the accepted part.
17. We reserve the right to cancel, or defer this Purchase Order or any part thereof if, these occurs during business interruption due to fire, flood, riot, 'force majeure' or from any other cause or causes beyond our control or from any changes in govt. rules / statutes.

Production, fabrication of goods / fulfillment of order

18. All items manufactured by the Supplier according to our blueprints, drawings, designs, manufacturing data, specifications or information pertaining thereto furnished to the Supplier by us, shall not be utilized by the Supplier or anyone on his behalf for sale, manufacture or for any other purpose save as agreed by us in writing. All blue prints, drawings, designs, prototypes, blocks, etc. entrusted by us to the Supplier against our specific order/s shall be our property and are returnable to us on demand.
19. We reserve the right at any time to make changes in drawings or specifications of the materials and /or work covered by this Purchase Order. In such event if any increase or decrease is caused in the cost of production, the price mentioned in this Purchase Order shall be equitably adjusted.
20. The Supplier shall be responsible for compliance with all applicable laws, rules, regulations, central and/ or local, in the course of performance of this Purchase Order and shall keep us indemnified against any liability on account of non-compliance.
21. Any online print rejections which bear sanofi name, logo, product name, which is produced during the course of production/printing, shall not be disposed as scrap without defacing the company name, logo & product name. No such printed material shall be disposed in public place.
22. Our authorized representatives shall be allowed to inspect the material ordered at any stage of their manufacture.

Supplier's obligations:

- The following conditions are binding on supplier upon acceptance of the order
23. The Supplier shall treat as strictly confidential any information relating to our products and / or business, which may become available to him in the course of performance of this Purchase Order and shall not disclose the same to any third party at any time. This obligation shall survive the fulfillment of this Purchase Order.
 24. The Supplier guarantees that the sale or use of his products will not infringe any Indian or Foreign patent, design or trade mark and undertakes to indemnify and keep us indemnified against any actions, judgment, decrees, costs, claims, demands and expenses resulting from any actual or alleged infringement. The Supplier further undertakes at his own expense to defend or assist in the defence of any suit or action which may be brought in this connection.
 25. Commitment to sustainable development: sanofi is committed to prefer suppliers who respect the principles of 'Sustainable development, viz. human rights protection, environment friendly technology, right labor practices and non-corruption. It is fully expected that the suppliers support these principles in course of their supply to us. The supplier must undertake to comply with existing laws w.r.t. environmental impacts & pollution, labor laws (no forced labor, child labor, social benefits etc.) and anti-corruption laws. Sanofi reserves the rights to perform internal/external audit/checks to confirm the compliance to principles of sustainable development.

Billing & payment:

26. The bills to be submitted directly to the Finance dept. along with photocopy of the PO. The payment shall be made by cheque/bank transfer & dispatched/credited to supplier's address/bank account (no hand delivery) **OF PURCHASE ORDER**

27.ANTI-BRIBERY

- I. Supplier/Contractor represents and warrants that neither it nor any of Supplier/ Contractor's personnel are officials, agents, representatives or employees of any government or political party or any international public organization where you/they may be in a position of official government authority able to use that position to help Supplier/ Contractor obtain or maintain business or obtain a business advantage.
- II. Supplier/ Contractor further represents and warrants that it has not made and agree that it shall not make any payment or any offer or promise for payment, either directly or indirectly, of money or other assets, or transfer anything of value, to government or political party officials, officials of international organizations, candidates for public office, or representatives of other businesses or persons acting on behalf of any of the foregoing for the purpose of influencing decisions or actions or where such payment or advantage would constitute violation of any applicable anti-bribery legislation, regulations and/or codes, both Local and State and/or national and foreign, including but not limited to the US Foreign Corrupt Practices Act and the UK Bribery Act (hereinafter and above designated by "Anti-Bribery Provisions").
- III. Supplier/ Contractor further represents and warrants that it has not accepted nor been offered any payment of money or other assets, or anything of value, for the purpose of influencing decisions or actions to help Supplier/ Contractor obtain or maintain business or obtain a business advantage where such payment or advantage would constitute violation of any applicable Anti-Bribery Provisions.

28.CONFLICT OF INTEREST

- I. Supplier/Contractor warrants that, to the best of its knowledge, it does not have, and is not likely to have, a conflict of interest in the performance of this Agreement.
- II. If a conflict or risk of conflict of interest arises during the term of this PO/ Agreement, Supplier/Contractor shall immediately give notice of the conflict of interest, or the risk of it, to Sanofi.
- III. Supplier/ Contractor must:
 - a) take all reasonable measures to ensure that its employees, agents and sub-contractors do not engage in any activity or obtain any interest which is in conflict with Supplier/ Contractor's ability to provide the services to Sanofi fairly and independently; and
 - b) Immediately give notice of any Supplier/conflict of interest relating to the activities or interests of any of its employees, agents or sub-contractors to Sanofi.
- IV. Upon receipt of such notice or upon Sanofi otherwise identifying a conflict of interest, Sanofi may elect to terminate this PO/ Agreement.

29.CONFIDENTIAL INFORMATION

The Parties shall not at any time during or after the term of this Contract, divulge, to any person, any Confidential Information relating to the other Party (including, but not limited to, any information relating to the accounts, finance, trade secrets, know-how, intellectual property, contractual arrangement, products, business or affairs of the parties) unless

- (a) the said information comes in public domain without breach by either party,
- (b) is already in the possession of the receiving Party at the time of disclosure, as evident from its files and record
- (c) is obtained by the receiving Party from a third party without a breach of such third party's obligations of confidentiality
- (d) is independently developed by the receiving Party without use of or reference to the disclosing Party's information as shown by documents and other evidence in the receiving Party's possession is required by law / applicable stock exchange listing rule, to be disclosed by the receiving Party, provided that the receiving Party gives the disclosing Party prompt written notice of such requirement prior to such disclosure and assists in obtaining an order protecting the information from disclosure.

30.AUDIT & INSPECTION

SANOFI has the right to audit Supplier records to confirm compliance with the relevant provisions hereof and with applicable laws. Such audit may be either a documentary audit or otherwise, and will be performed at reasonable times and places, upon reasonable notice, and at SANOFI's sole expense, either with SANOFI's internal auditors or a third party nominated by SANOFI. Supplier agrees to provide SANOFI with access to relevant systems, documentation and individuals for the purposes of conducting the audit. Supplier shall permit any inspection of its processes, documents and premises by or on behalf of regulatory authorities, and shall have the resources available to address the requests of all inspectors, irrespective of which site or company of Supplier or which site or company in the Sanofi group is concerned by the inspection. Documents maintained by Supplier must be 'inspection-ready'. Supplier shall not charge Sanofi for its time associated with assisting the authorities during such inspections. Supplier will take all appropriate measures to implement preventative and corrective actions for all issues detected during audits or inspections.

31.CHANGE CONTROL (WHERE APPLICABLE)

SUPPLIER shall have a documented and effective change control system in place. SUPPLIER shall maintain API in compliance with approved regulatory dossier. SUPPLIER shall inform SANOFI in writing of any proposal to change significant items of the Manufacturing Operations and materials specifications and/or origin, which may have an impact on the quality and safety of supplied API, and/or on any regulatory applications related to the API. SUPPLIER shall notify SANOFI within a reasonable time, prior to implementation, to allow SANOFI to assess the potential impact of the change upon the API supplied or its use by SANOFI. The implementation of major changes (i.e., changes requiring authorities' pre-approval) shall be discussed with SANOFI in order to avoid a shortage situation. SANOFI undertakes to submit within a reasonable period of time all necessary change notifications to all competent authorities in full compliance with the applicable regulations, respectively, and to inform SUPPLIER of the receipt of the necessary acknowledgement of the validity of the notification and, depending on the type of change, the acceptance or approval of the change by the competent authorities. SANOFI considers that a variation in manufacturing site is a critical variation that nullifies all clauses of this Agreement and forces the creation of a new one for the new site.

32.WITHHOLDING TAX

If the work is done through a permanent establishment/business connection in India then appropriate withholding tax will be deducted when making the payment